

DESCRIPTION OF THE CONSUMER EXPENDITURE SURVEY

The tables available through the Bureau of Labor Statistics fax-on-demand system contain data integrated from the two components of the Consumer Expenditure Survey of the Bureau of Labor Statistics, US Department of Labor. The two components are the Diary survey and the Interview survey. The integrated data provide a complete accounting of consumer expenditures and income which neither component alone is designed to do. For the Diary survey, respondents (consumer units) complete a diary of expenses for two consecutive 1-week periods. The Diary survey is designed to obtain data on frequently purchased items, such as food or housekeeping supplies, that respondents are less likely to recall over longer periods of time. For the Interview survey, respondents report data to an interviewer. Respondents are interviewed once per quarter, for five consecutive quarters. This survey is designed to collect data on expenditures and income that respondents can be expected to recall for a period of 3 months or longer, such as property purchases or vehicle purchases, and those that occur on a regular basis, such as rent, utility bills, or insurance premiums. Data on these files are for the total population (urban and rural).

Additional tables are available via the internet. Please visit our web site at <http://www.bls.gov/cex/home.htm>

USES OF THE SURVEY

The Consumer Expenditure Survey data are of value to government and private agencies interested in studying the welfare of particular segments of the population such as the aged, low-income families, urban and rural families, and those receiving food stamps. The data are used by economic policy makers interested in the effects of policy changes on various socioeconomic groups. Econometricians find these useful in constructing economic models. Market researchers find the data useful in analyzing the demand for groups of goods and services. The data allow them to track spending trends of different types of consumer units. The Department of Commerce uses the survey data as a source of information for revising its benchmark estimates of some of the personal consumption expenditure components of the gross national products. An important use of the survey by BLS is for the periodic revision of the Bureau's Consumer Price Index (CPI). Survey results are used to select new market baskets of goods and services for the CPI, to determine the relative importance of CPI components, and to derive new cost weights for the market baskets.

BRIEF DEFINITIONS

Consumer unit - A consumer unit comprises either: (1) all members of a particular household who are related by blood, marriage, adoption, or other legal arrangements; (2) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more persons living together who pool their income to make joint expenditure decisions. Financial independence is determined by the three major expense categories: Housing, food, and other living expenses. To be considered financially independent, at least two of the three major expense categories have to be provided by the respondent.

Complete income reporters - The distinction between complete and incomplete income reporters is based in general on whether the respondent provided values for major sources of income, such as wages and salaries, self-employment income, and Social Security income. Even complete income reporters may not have provided a full accounting of all income from all sources. In the current survey, across-the-board zero income reporting was designated as invalid, and the consumer unit was categorized as an incomplete reporter. In all tables, income data are for complete income reporters only.

Total Expenditures - These are the transaction costs, including excise and sales taxes, of goods and services acquired during the interview or recordkeeping period. Expenditure estimates include expenditures for gifts, but exclude purchases or portions of purchases directly assignable to business purposes. Also excluded are periodic credit or installment payments on goods or services already

acquired. The full cost of each purchase is recorded even though full payment may not have been made at the date of purchase.

CONTACTS

If you need help interpreting the data please contact the Consumer Expenditure Survey staff by phone at (202) 691-6900, by email at CEXINFO@bls.gov, or via mail at Division of Consumer Expenditure Surveys, Branch of Information and Analysis, Postal Square Building, Room 3985, 2 Massachusetts Avenue, NE, Washington, DC 20212-0001.